GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1561
ANSWERED ON:11.12.2003
ROYALTY ON GAS AND OIL TO ASSAM
MONI KUMAR SUBBA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government of Assam has been deprived of a huge amount of royalty on natural gas, by the Oil India Limited, by adopting a dubious method of calculation of Royalty, deducting the transportation cost ;

(b) if so, whether according to the well established practice royalty has been calculated on well-head production basis; and

(c) if so, the extent of loss suffered by Government of Assam due such erroneous calculations during 2002-2003 and 2003-2004 so far?

Answer

MINISTER OF STATE IN THE MINITSTRY OF PETROLEUM & NATURAL GAS (SHRIMATI SUMITRA MAHAJAN)

(a)to(c):- Royalty on crude oil and natural gas is regulated as per provisions of Oil Fields (Regulation & Development) Act, 1948 and Petroleum & Natural Gas Rules, 1959 framed thereunder.Royalty on natural gas is payable @ 10% of wellhead value obtainable from the lesee. The facts in regard to payment of royalty on natural gas by Oil India Ltd (OIL)to the State Government of Assam, as per the provisions of the said Act/Rules, are being ascertained.